

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: June 26, 2004

CALLED TO ORDER: 5:30 p.m.

ADJOURNED: 6:38 p.m.

ATTENDANCE

Attending Members

Steve Talley, Chairman
Ron Gibson
Becky Langsford
Jackie Nytes
Marilyn Pfisterer
Mike Speedy

Absent Members

Angela Mansfield

AGENDA

PROPOSAL NO. 379, 2004 – appoints Michael L. Rinebold to the Public Housing Board
“Do Pass” Vote: 6-0

PROPOSAL NO. 380, 2004 – establishes advisory committees of citizens in each township to review revisions of the comprehensive plan in each township of Marion County
“Postponed” until next meeting Vote: 6-0

PROPOSAL 437, 2004 – a final resolution for Zion Properties, LLC in an amount not to exceed \$6,300,000 which consists of the acquisition and substantial rehabilitation of the existing 176 unit Park Plaza Apartments (to be renamed Pine Glen Apartments) located at 43 E. Hanna Avenue (District 23)
“Do Pass” Vote: 6-0

INDIANAPOLIS HOUSING AGENCY QUARTERLY UPDATE – Rufus “Bud” Myers, Executive Director

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, July 26, 2004. Chairman Steve Talley called the meeting to order at 5:30 p.m., with the following members present: Ron Gibson, Becky Langsford, Jackie Nytes, Marilyn Pfisterer, and Mike Speedy. Absent was Angela Mansfield. Also present was Councillor Bob Cockrum. Representing Council staff were Aaron Haith, General Counsel and Cherrish Pryor, Legislative and Public Affairs Director. Special Guest Brandon Gray, shadow for Rod Morgan and Christopher Talley, Chairman Talley's nephew.

PROPOSAL 437, 2004 – a final resolution for Zion Properties, LLC in an amount not to exceed \$6,300,000 which consists of the acquisition and substantial rehabilitation of the existing 176 unit Park Plaza Apartments (to be renamed Pine Glen Apartments) located at 43 E. Hanna Avenue (District 23)

Rod Morgan, Bond Counsel, said this project was first introduced February 2004 and no changes have been made since the introduction. He said the developer acquired the property in April 2004 and is preparing to move forward with the project. The project is located in Councillor Borst's district, and he is in support of this project. He said the Economic Development Commission held a public hearing, no comments were made from the public, and the resolution passed the Economic Development Commission unanimously. He said the City is in support of this project and there has been no negative input from anyone, thus far, for this project. Chairman Talley said this type of financing does not place any liability on the City. He said no tax revenue or public funds are used to fund this project.

Councillor Nytes asked what the timeline is to begin work on the project. Mr. Morgan said the bond deal is expected to close in late August, 2004. Martin Shrader, Zion Properties, said the work should begin in late August, 2004 and be completed within a 12 month window. Councillor Nytes asked how many construction jobs might be involved in this project. Mr. Shrader said it is estimated that they will have a crew of about 20-25 people on site the whole 12 month period.

Chairman Talley asked if the assessment will be the same as in the earlier resolution. Mr. Shrader said it is currently the same, they fully expect for the assessment will either stay the same or go up after the buildings have been improved. He said the Assessor is aware of all decisions.

Councillor Gibson moved, seconded by Councillor Nytes, to send Proposal 379, 2004 to the full Council with a "Do Pass" recommendation. This motion carried by a vote of 6-0.

PROPOSAL NO. 379, 2004 – appoints Michael L. Rinebold to the Public Housing Board

Councillor Speedy introduced Michael Rinebold and asked him to tell a little about his background. Mr. Rinebold said he has worked in the private sector for seven years and worked with the Turner Soprts, Inc. as Project Manager. He currently works for the Indiana State Attorney General's Office, as a Complaint Analyst Supervisor. He said he is actively involved in his downtown neighborhood association, trying to bring the community together.

Councillor Pfisterer asked why he is interested in Public Housing. Mr. Rinebold said he is a member of the downtown community and is concerned for its well-being. He said he would like to be a part of the board that governs and maintains public housing.

Councillor Speedy moved, seconded by Councillor Pfisterer, to send Proposal 379, 2004 to the full Council with a "Do Pass" recommendation. This motion carried by a vote of 6-0.

PROPOSAL NO. 380, 2004 – establishes advisory committees of citizens in each township to review revisions of the comprehensive plan in each township of Marion County

Councillor Cockrum said that three weeks ago it was brought to his attention that the Indiana Code concerning the comprehensive planning requires certain things to be done by the legislative body of the County. He said this was passed in the late 1990s and for some reason has been overlooked. He read Exhibit A, Section 504.5 and placed emphasis on "shall" and "commission". He said when this was brought to his attention he drafted the proposal that is before the committee. This statute establishes the advisory committee procedure, not who is going to serve. In his proposal, he said the committee shall consist of seven members: 1) the Township Assessor, 2) the Township Trustee, 3) a Department of Metropolitan Development Planner selected by the director of the Department of Metropolitan Development and 4) four residents of the township nominated by the Township Board, which shall include at least one member of the Township Board.

Chairman Talley said the committee will take public testimony on this proposal, but asked that the proposal be postponed, to allow the Department of Metropolitan Development to review the proposal.

Councillor Gibson asked what has been done in the past, without a previous ordinance. Councillor Cockrum said when the planning process started there was not going to be planning by township; it was going to be County-wide. He said a lot of the residents asked that it be done by township. Therefore, the Metropolitan Development, Division of Planning has been holding township meetings. He said that there is nothing requiring these meetings, it is a voluntary act. Councillor Gibson asked if this is a State law, why is a City ordinance necessary. Councillor Cockrum said the State law states that City legislators must have a City ordinance.

Councillor Speedy asked if Councillor Cockrum received a letter from Marion County Alliance of Neighborhood Associations, Inc. (MCANA). Councillor Cockrum said he received the letter before the committee meeting. Chairman Talley said none of the committee members received the letter until minutes before the committee meeting and asked that the letter be attached to the minutes as Exhibit B.

Mr. Pace, MCANA, said they have some changes they recommend for Proposal 380, 2004 and distribute Exhibit C. He asked if the proposal is going to be tabled. Chairman Talley said that the proposal will be postponed and not tabled. Mr. Pace asked when the committee will hear the proposal. Chairman Talley said the committee will hear the proposal on August 9, 2004. Mr. Pace said that this is an important issue to receive clarification in compliance to the State law. He said their recommendation is to assign people to this committee that know and understand zoning and planning matters and not political entities that will have some influence in overriding concerns to neighborhoods. Chairman Talley said he cannot see requiring citizens to be familiar with the comprehensive plan in order to make suggestions as to changes in their neighborhood and will not support the recommendation.

Jack Sandlin, Perry Township Trustee, said he supports the move to have the ordinance adopted. He said it is an important issue for the residents in each township to have input. He said this ordinance will give more representation in the townships and will be a more formal representation of good government.

David Miller, Perry Township attorney, said input from the township is very important. MCANA has brought to their attention that people nominated to this committee should be familiar, willing to serve and have the knowledge to provide the input necessary for the plans to go forward. He urges the committee to go forward with this ordinance.

Councillor Nytes thanked MCANNA for making efforts, on short notice, to communicate with the committee the points they feel are important for discussion.

Councillor Nytes moved, seconded by Councillor Gibson, to "Postpone" Proposal 380, 2004 until August 9, 2004. The motion carried by a 6-0 vote.

INDIANAPOLIS HOUSING AGENCY QUARTERLY UPDATE

Rufus "Bud" Myers, Executive Director, distributed Exhibit D (see file). Chairman Talley asked if the information in Exhibit D could be shared, due to the wording "confidential" on the front page. Mr. Myers said the reason the exhibit is marked "confidential" is because their 2004 budget is not final until December 2004, therefore the figures in Exhibit D are not finalized.

Mr. Myers said the Indianapolis Housing Agency (IHA) has 7500 Section 8 vouchers they use and administer, and there are around 2,000 public housing units. He said they use the Section 8 vouchers more for purchasing a house than renting. The agency is

divided into Section 8, Public Housing, Residential Services, Strategic Planning and Development, Public Safety and Special Investigation and Administration. Mr. Myers introduced Aaron Haith, chairman of Public Housing board. He said Mr. Haith advises the board on everything they consider.

Mr. Myers said the Public Housing Assessment System (PHAS), takes into consideration the Physical and Financial condition, Management Operations, and the Resident Satisfaction survey. He said in most of those indicators, IHA does very well, except in the Financial Condition with a score of 10. He said this category in particular, is harming the agency. Having that low score makes the agency a sub-standard performer. IHA has appealed to Housing and Urban Development (HUD), on the basis that in 2003 the agency was experiencing problems in their Section 8 program and made the corrections needed. IHA agreed with HUD to have temporary workers come into the agency and correct the Section 8 program. He said overall funding for housing has decreased. Since he has been with IHA, there has been a \$7 million decrease in operating funds. In addition, a study called the Harvard Study, has been done by HUD that showed the City of Indianapolis and Marion County has been under funded approximately 21% since 1975. HUD has come up with a solution to increase IHA funding by half of the 21% in the year 2006 and fully increase the funding in 2007.

Mr. Myers said IHA has a Community Service mandate that costs the agency \$50,000 a year. This mandate states that IHA has to keep track of those persons that are not in school, non-elderly, non-disabled and non-working and make sure they do some form of volunteer work. He said the major expense, and what he believes caused the agency's financial situation, is the correction of the Section 8 program. The agency spent over \$600,000 for Section 8 management services to help correct the program. He said they have consolidated some of their departments to help solve their financial problem. The Director of Personnel is now consolidated with Legal Executive, Deputy Director is now the Legal Counsel, and the CFO is now the Controller.

Councillor Speedy asked what prompted the investigation in the agency and if the \$600,000 is a one time fee to correct the Section 8 program. Mr. Myers said the \$600,000 was to bring in a firm to help the agency correct their problems. He said Congress issued a mandate to HUD to do better across the nation. He said the improvement is on-going but the cost is not. The agency is now at a point that they can do the work internally.

Councillor Speedy asked how much of the correction is a part of the current situation. Chris Rodabough, IHA Controller, said \$600,000 was for the Section 8 program, the Fraud Department was \$430,000 over the three years. Councillor Speedy asked if this will affect financial scoring. Ms. Rodabough said they had to reduce their budget for other departments and are currently budgeting for the Fraud Department. Mr. Haith said the \$600,000 adjustment to the Section 8 department had a direct impact on the amount of money the agency will make and the agency will now earn back that money.

Councillor Pfisterer asked if reductions and consolidations were recommended by the outside consulting team. Mr. Myer responded in the negative and said the recommendations were initiated by the IHA Executive Director. Councillor Pfisterer asked if the agency has taken action for grants to eliminate their distress. Mr. Myers said they have a Grant Consultant that is looking for funds. In addition, every department head also works to get grants for the agency. Councillor Pfisterer asked if the agency has looked to grants other than government grants. Mr. Myers said they have realized they need to be more aggressive in finding funds due to the competition. Councillor Pfisterer asked where they see their projection on their financial score at the end of 2004. Mr. Myer said they are expecting a recovery but do not know what their rent fees will be.

Councillor Gibson asked what efforts the agency is taking to improve residency satisfaction. Mr. Myers said the key is communication. When the agency does things that are helpful to residents, the agency needs to communicate back to the residents. He said the agency is working on having employees that are more responsive.

Councillor Nytes asked if the agency has a problem with the number of people waiting for housing. Mr. Myers said the waiting list is extremely long. The agency has a 98% occupancy rate; most of their sites all have a waiting list.

Councillor Speedy asked if there are any efforts being made to get people moving through the Public Housing program faster to allow more people the opportunity for assistance. Mr. Myers said there are efforts outside the agency, but no programs within the agency at this time.

Councillor Gibson said the need for housing may continue to be greater due to the economic conditions. The best solution is to think of ways to bring in economic development.

Councillor Nytes said there will always be a need for public housing due to disability, age and other issues. Mr. Myers agreed and said the ability to learn also has an influence on those that need public housing.

CONCLUSION

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 6:38 p.m.

Respectfully submitted,

Steve Talley, Chairman
Metropolitan Development Committee

ST/as